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# Cases, Regulations, and Statutes

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# CASES, REGULATIONS AND STATUTES

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## ANIMALS

**HORSES.** The plaintiff was injured while riding a horse at the defendant's ranch. The plaintiff had signed a release and waiver of liability under the Equine Activity Liability Act (EALA), Mich. Cod. Laws § 691.1661 *et seq*. The plaintiff filed suit for negligence, claiming that the bit provided with the horse was defective and the defendant failed to properly inspect the bit. The defendant argued that the release barred the suit under the EALA. The plaintiff argued that the EALA did not apply because the release was ambiguous and the alleged negligence was not of the nature covered by the EALA. The court held that the release was not ambiguous and covered the alleged negligence and injury alleged in the suit. The opinion is designated as unpublished. **Terrill v. Stacy, 2006 Mich. App. LEXIS 522 (Mich. Ct. App. 2006)**.

The plaintiff was injured while handling a horse at the defendant's ranch. The plaintiff had signed a waiver and release agreement excusing the defendant from liability for any injuries to the plaintiff while at the ranch. The plaintiff sued for negligence, alleging that the defendant failed to properly supervise the horse activity. The defendant argued that the Montana equine activity liability law, Mont. Code §§ 27-1-727(1), 27-1-725, barred the suit. The defendant acknowledged that the waiver and release agreement were unenforceable but sought to introduce the agreement into evidence, with the unenforceable language removed, in order to show that the plaintiff was aware of the risks in the horse activity. The trial court allowed the redacted version of the agreement to be submitted into evidence. The jury found for the defendant as not negligent. The appellate court held that the trial court appropriately admitted the redacted version of the release and waiver for the limited purpose of showing that the plaintiff was aware of the inherent risks in the horse activity. **McDermott v. Carie, LLC, 124 P.3d 168 (Mont. 2005)**.

## BANKRUPTCY

### CHAPTER 12

**ELIGIBILITY.** The debtor owned 40 acres of rural land which was mostly pasture for raising cattle. The debtor lost the cattle to disease and just prior to filing for Chapter 12 had begun to purchase new cattle with the plan to rebuild the herd to a profitable size. The debtor was employed part time as a teacher. Almost all of the claims filed in the bankruptcy case came from the cattle operation. The objecting creditor did not present any evidence to rebut the debtor's description of the bankruptcy claims as arising from the cattle operation. The court held that the debtor was eligible for Chapter 12. ***In re* Torelli, 2006 Bankr. LEXIS 260 (Bankr. E.D. Ark. 2006)**.

**PLAN.** The debtor had borrowed money from a creditor with a five year promissory note at 7.75 percent interest, with a balloon payment at termination. The note was was secured by a mortgage on 40 acres of real property used to raise cattle and as the debtor's residence. The debtor lost or sold the cattle because of disease and defaulted on the loan. The debtor's Chapter 12 plan proposed to pay the debt over 20 years at 5 percent interest. The creditor offered to refinance the loan, amortized over 10 years at 7.75 percent with a balloon payment after five years. The creditor objected to the plan as not providing for the present value of the creditor's claim. The court held that the "prime-plus" method of *Till v. SCS Credit Corp, 541 U.S. 465 (2004)*, was to be applied to determine the appropriate interest rate. The court noted that the debtor did not provide any evidence to support the choice of a 5 percent interest rate or a 20 year term. The court also noted that the current prime rate was 6.5 percent; therefore, under *Till*, the debtor's proposed interest rate of 5 percent was insufficient. The court also held that the change of the term of the loan from five years to 20 years was impermissible because similar loans in the market were for no more than five years. The court held that the plan, with the appropriate interest rate and term on the disputed claim, was not feasible because the debtor had not clearly identified sufficient income to cover the projected costs. ***In re* Torelli, 2006 Bankr. LEXIS 260 (Bankr. E.D. Ark. 2006)**.

## COOPERATIVES

**SHAREHOLDER RIGHTS.** The plaintiffs were shareholders of the defendant nonprofit agricultural cooperative association. The plaintiffs sought to inspect the defendant's corporate books and records, including the employee records of the defendant. The defendant had complied with some of the inspection requests but the plaintiffs sought complete disclosure. Under Kan. Stat. § 17-6510(c) a shareholder may seek a court order to permit the shareholder to inspect the corporation's books and records if the inspect is for a proper purpose. The court noted that, under Kansas case law, corporate mismanagement was a proper purpose for a shareholder inspection. The court also noted that the trial court had found evidence that the defendant was not treating all patron-members equally in that no patronage dividends were being paid in favor of discounted pricing to members. The plaintiffs argued that a full inspection of the records was necessary to determine whether the discounts were being offered equally to all members. The evidence also included statements by the defendant's auditor that grain deposit tickets had been altered and that the auditor had resigned in protest over accounting practices. The court held that such evidence was sufficient to allow shareholder access to the records, at least to the extent of the alleged mismanagement. The case was remanded to the trial court for a ruling on the scope of the records which were to be open for shareholder inspection. **Ihrig v. Frontier Equity Exchange Ass'n, 2006 Kan. App. LEXIS 149 (Kan. Ct. App. 2006)**.

# FEDERAL AGRICULTURAL PROGRAMS

**GRASSLAND RESERVE PROGRAM.** The CCC has adopted as final regulations implementing the Grassland Reserve Program authorized by the Farm Security and Rural Investment Act of 2002. **71 Fed. Reg. 11139 (March 6, 2006)**.

**KARNAL BUNT.** The APHIS has adopted as final regulations adding areas in Maricopa and Pinal counties in Arizona to the list of regulated areas. **71 Fed. Reg. 11288 (March 7, 2006).**

**MEAT AND POULTRY INSPECTION.** The FSIS has issued proposed regulations amending the federal meat and poultry products inspection regulations to provide that the FSIS will make available to the public lists of the retail consignees of meat and poultry products that have been voluntarily recalled by a federally inspected meat or poultry products establishment if product has been distributed to the retail level. FSIS is proposing to routinely post these retail consignee lists on its web site as they are developed by the agency during its recall verification activities. **71 Fed. Reg. 11326 (March 7, 2006)**.

**NATIONAL ANIMAL IDENTIFICATION SYSTEM.** The APHIS has announced publication of "Administration of Official Identification Devices with the Animal Identification Number," which expands upon certain aspects of the NAIS that were presented in the Draft Program Standards, issued in May 2005. The new publication describes the use of the AIN in conjunction with official identification devices in the NAIS; presents performance and printing requirements for visual AIN tags, explains the process by which these tags will be authorized for use in the NAIS, and provides performance standards for radio frequency identification (RFID) tags or devices that may be attached to cattle or bison to supplement visual AIN tags. The publication also describes the AIN Management System, a web-based system for distributing and administering AINs in the NAIS, and discusses the roles and responsibilities of key participants in the system. The document is available at http://www.usda.gov/nais. **71 Fed. Reg. 10951 (March 3, 2006)**.

The Conference Committee Report accompanying the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2006 (Pub. L. 109-97), directed APHIS to develop appropriate regulations that allow for an open radio frequency identification technology microchip system that would enable a scanner to read all microchips used for the identification of pets. In addition, APHIS has received a petition from the Coalition for Reuniting Pets and Families requesting that APHIS consider establishing a national identification standard for pets and publish a notice soliciting comments on the need for the adoption of ISO 11784 and 11785 as the national radio frequency technology standard for pets. The APHIS is soliciting public comment on potential changes to the animal welfare regulations that would address the use of microchips for identifying animals covered under the Animal Welfare Act and has announced that APHIS is hosting a series of informational meetings on that subject and the issues raised in the conference committee report and the petition. **71 Fed. Reg. 12302 (March 10, 2006)**.

**ROLLOVER PROTECTION SYSTEMS**. In 1996 OSHA issued a direct final rule removing the construction and agriculture standards that regulate the testing of ROPS on wheel-type tractors. The amended regulations adopted national consensus standards instead. When the 1996 rule was adopted, OSHA had determined that the changes were not substantive and did not require public notice and comment. The OSHA has since determined that the changes were substantive and has reinstated the original standards for ROPS testing, effective February 28, 2006. **71 Fed. Reg. 9909 (February 28, 2006)**.

# FEDERAL ESTATE AND GIFT TAXATION

**SPECIAL USE VALUATION**. The decedent's estate had included farm and ranch properties used for the raising of cattle and crops. On the estate tax return the farm and ranch properties was elected to be valued as special use valuation property. The election, however, did not apply to the water rights in the properties. The properties were transferred by the will to trusts for the decedent's surviving spouse. The trusts sold the groundwater rights to a local water authority under a lease, but retained so much of the water rights as to be consistent to preserve the special use valuation election. The lease also contains an easement to allow the authority to extract the groundwater. The IRS ruled that, except for the property specifically used for removing the groundwater, the entering into the lease and easement arrangement would not constitute a disposition or cessation of use of the properties under I.R.C. § 2032A(c)(1). The lease and easement agreement caused a cessation of qualified use of the property used by the water authority under the easement to remove the ground water, since the easement area could no longer be used for farming or ranching. **Ltr. Rul. 200608012, Nov. 3, 2005**.

**TRANSFERS WITH RETAINED INTERESTS.** The decedent owned a personal residence which, on the advice of an estate tax advisor, was transferred to a family general partnership as the partnership's only asset. The original partnership agreement provided for a 28 percent interest for the decedent and the remaining interests were given to the decedent's children and spouses. In the next year, the decedent transferred all of the decedent's partnership interest to the children in equal shares. The decedent entered into a lease of the residence with the partnership and agreed to pay all costs of the residence. The lease provided that the decedent could continue to use the home as the decedent's residence. The lease terms were not strictly complied with and the decedent was allowed to make late rent payments or no rent payments as needed. The court held that the residence was included in the decedent's gross estate under I.R.C. § 2036(a)(1) because (1) the partnership had no commercial purpose and was formed as a testamentary device; (2) the decedent was old and in poor health when the partnership was formed; (3) there was included in the lease an agreement that the decedent could use the house as a residence in the same manner as before the transfer, as evidence by the partnership's failure to strictly enforce the lease terms; and (4) the partnership was formed on the advice of an estate tax planner. **Estate of Disbrow v. Comm'r, T.C. Memo. 2006-34**.

# FEDERAL INCOME TAXATION

**BAD DEBT DEDUCTION**. The taxpayer was divorced and, as part of the divorce agreement, had transferred a diamond ring to the former spouse. The former spouse was supposed to pay any liabilities associated with real property transferred to the spouse under the divorce agreement but the taxpayer was required to pay a loan against a house when the spouse failed to make payments. In addition, the taxpayer agreed to pay the former spouse's separate income tax liability for the last tax year of their marriage. The taxpayer claimed a theft loss for the ring, loan payments and tax payment. The court disallowed the theft loss deductions because (1) the ring was awarded to the former spouse under the divorce agreement, (2) the taxpayer was not a guarantor of the loan payments, and (3) the taxpayer had made the tax payments under a separate settlement with the former spouse. **Ferguson v. Comm'r, T.C. Memo. 2006-32**.

The taxpayer was injured in an accident, filed suit for personal injuries and was awarded a monetary award. However, the defendant in the suit filed for Chapter 7 bankruptcy and the taxpayer did not receive any payments. The taxpayer claimed a loss from the unpaid judgment and elected to carry the excess losses forward. The court held that no deduction was allowed for the unpaid judgment because the loss was not incurred as part of a trade or business or as part of a theft or casualty. the loss was not deductible as a bad debt because the taxpayer had no tax basis in the judgment. **Green v. Comm'r, T.C. Memo. 2006-39**

**CHARITABLE DEDUCTION**. The taxpayer was a member of a club which qualified as an organization eligible for tax exempt status under I.R.C. § 501(c)(7). The club was a nonprofit organization and none of the earnings of club inured to the benefit of any individual. The taxpayer made gifts of money to the club which were used to retire capital debts and to fund capital improvements at the club. The IRS ruled that, because the club was operated solely for nonprofitable purposes (the recreation, enjoyment, education, and entertainment of its members) and not for the economic benefit of its members, the club came within the exception to the general rule of § 25.2511-1(h)(1), "for charitable, public, political or similar organizations." The IRS ruled that taxpayer's transfers to the club would be gifts of present interests to a single entity and eligible for the gift tax annual exclusion. **Ltr. Rul. 200608011, Nov. 15, 2005**.

**DISASTER LOSSES.** On February 24, 2006, the president determined that certain areas in Maine are eligible for assistance from the government under the Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121) as a result of record snow, which began on December 25, 2005. **FEMA-3265-EM**. Taxpayers who sustained losses attributable to the disaster may deduct the losses on their 2004 returns. On February 3, 2006, the president determined that certain areas in California are eligible for assistance from the government under the Act as a result of a severe storms, flooding and mudslides, which began on December 17, 2005. **FEMA-1628-DR**. Taxpayers who sustained losses attributable to the disaster may deduct the losses on their 2004 or 2005 returns. On February 3, 2006, the president determined that certain areas in Nevada are eligible for assistance from the government under the Act as a result of a severe storms and flooding, which began on January 4, 2006. **FEMA-1629-DR**. Taxpayers who sustained losses attributable to the disaster may deduct the losses on their 2004 or 2005 returns.

**HOME OFFICE**. The taxpayers purchased a bed and breakfast house and used a portion of the house exclusively for paying guests, a portion of the house exclusively as a personal residence and a portion of the house for both uses. The taxpayers divided the dual-purpose portion by the amount of time devoted to each purpose and added 75 percent of the dual purpose area to the exclusively business area, leaving 25 percent of the dual purpose area as personal residential use. Thus, the taxpayers claimed business use deductions for the exclusive business portion and 75 percent of the dual use portion of the house. The court held that, under I.R.C. § 280A(f)(1)(B), no business deduction was allowed for the dual purpose portion of the house because the personal use of the dual purpose portion exceeded 14 days or 10 percent of the use of that area. **Anderson v. Comm'r, T.C. Memo. 2006-33**.

**IRS ADMINISTRATION**. The Treasury's Office of Tax Policy and the IRS has issued an update of the 2005-2006 Priority Guidance Plan, originally issued on August 8, 2005, which lists regulations and other administrative guidance scheduled for publication during the plan year. It contains 254 projects to be completed over a 12-month period through June 2006. One of the projects is to provide guidance on the application of self-employment tax to Conservation Reserve Program payments. The plan also indicated that updates would be published throughout the course of the year to reflect additional guidance published during the plan year. The updated 2005-2006 Priority Guidance Plan will be republished on the IRS web site, www.irs.gov, under

Tax Professionals, IRS Resources, Administrative Information and Resources, 2005-2006 Priority Guidance Plan. Copies can also be obtained by calling Treasury's Office of Public Affairs at (202) 622-2960. **JS-4095, March 6, 2006**.

**INTEREST RATE**. The IRS has announced that, for the period April 1, 2006 through June 30, 2006, the interest rate paid on tax overpayments remains at 7 percent (6 percent in the case of a corporation) and for underpayments remains at 7 percent. The interest rate for underpayments by large corporations remains at 9 percent. The overpayment rate for the portion of a corporate overpayment exceeding $10,000 remains at 4.5 percent. **Rev. Rul. 2006-12, I.R.B. 2006-12.**

**PENSION PLANS**. For plans beginning in March 2006 for purposes of determining the full funding limitation under I.R.C. § 412(c)(7), the 30-year Treasury securities rate for this period is 4.83 percent, the 90 percent to 105 percent permissible range is 4.34 percent to 5.07 percent, and the 90 percent to 110 percent permissible range is 4.34 percent to 5.31 percent. The corporate bond weighted average is no longer relevant for plans beginning after 2005. **Notice 2006-32, I.R.B. 2006-13**.

**RETURNS**. The IRS has announced that taxpayers in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont and the District of Columbia will have until April 18, 2006 to file individual income tax returns, make 2005 final tax payments, make requests for automatic extensions, and pay estimated taxes because April 15 and 16 are weekend days and April 17 is a state holiday in Massachusetts where the regional office is located for these states. The IRS noted, however, that the six month extension would expire on August 16, 2006 and not August 18, 2006. **IR-2006-37**.

The executor of the decedent's estate filed the federal estate tax return on June 5, 2000 by certified mail. On June 5, 2003, the executor filed an amended estate tax return with a claim for a refund on June 5, 2003. The executor used a private postage meter to affix postage but failed to have the meter print the date on the postage. The amended return was received by the IRS on June 9, 2003 and the IRS denied the refund claim as untimely filed more than three years after the original return. The evidence was clear that the executor proved that the amended return was mailed on June 5, 2003; however, the court held that proof of mailing is not sufficient to comply with the IRS regulations on effective date of filings. See Treas. Reg. § 301.7502(c)(iii)(B). The court held that, where private postage is affixed to a mailing, the date on the postage will be treated as the filing date, but where no date is printed (or the date is not clearly printed), the return is treated as filed on the day the return is received by the IRS. The court noted that the option to include the date was entirely in the hands of the executor in this case. **Estate of Kalman v. United States, 2006-1 U.S. Tax Cas. (CCH) ¶ 60,520 (D. S.C. 2006)**.

The IRS has issued a Chief Counsel Advice letter ruling that non-married domestic partners governed by the California Domestic Partner Rights and Responsibilities Act of 2003 may not report one-half of the taxpayer's and taxpayer's domestic partner's income on a separate federal income tax return, in the manner allowed for married couples filing separately in community property states. The ruling applies to 2005 federal tax returns. **CCA Ltr. Rul. 200608038, March 1, 2006**.

Under I.R.C. § 6013(b), an individual who files a "separate" return may not file an amended joint return (1) more than three years after the due date for the original return or (2) after a notice of deficiency has been filed and either spouse has filed a petition with the Tax Court involving the return. The IRS Office of Chief Counsel has issued a notice that the I.R.C. § 6013(b) limitation applies to returns filed under the single and head of household status as well as the married filing separately status, at least outside the Fifth and Eleventh Circuits in which the holding of *Glaze v. United States, 641 F.2d 339 (5th Cir. 1981)* (amended joint return may be filed where original return was erroneously filed under single status) is followed. **Notice CC-2006-010.**

The IRS has announced that it plans to discontinue acceptance of electronically filed Form 940, Employer's Annual Federal Unemployment Tax Return, and Form 941, Employer's Quarterly Federal Tax Return, in the EDI and Proprietary formats effective October 28, 2006. This action pertains to e-filers who develop software or electronically transmit Forms 940 and 941. **Fr. Doc. E6-3305, Feb. 3, 2006**.

**SALE OF PROPERTY**. The taxpayers were partners in a partnership which owned real property subject to a mortgage. The partnership defaulted on the mortgage and reached an agreement with the creditor to transfer the property in satisfaction of the mortgage, resulting in recognition of gain to the partnership. The taxpayers argued that the gain was realized in the tax year in which the execution of the grant deed and covenant not to sue agreement occurred, December 15, 1993. The partnership issued a Form 1099-A showing the date of the acquisition by the creditor as December 15, 1993. However, the transaction did not close until May 1994 when the title company issued a title policy to the creditor. The court held that the gain was not recognized until 1994 with transfer of the title. The appellate court affirmed in a decision designated as not for publication. **Lowry v. Comm'r, 2006-1 U.S. Tax Cas. (CCH) ¶ 50,187 (9th Cir. 2006), *aff'g*, T.C. Memo. 2003-225**.

**SOCIAL SECURITY BENEFITS**. The taxpayer was laid off from work because of illness and injuries and received social security benefit payments. The taxpayer applied for workers' compensation but did not receive any payments. The taxpayer did not include any of the social security benefits in gross income, arguing that the payments were in the nature of workers' compensation benefits. The court held that social security benefits for disability were not excludible from income as workers' compensation benefits because the social security statute did not create benefits in the nature of workers' compensation. **Green v. Comm'r, T.C. Memo. 2006-39**.

**THEFT LOSSES**. In the tax year involved, the taxpayer gave $60,000 to a nephew in exchange for a promissory note payable in three years. The taxpayer believed at the time that the nephew was going to use the money to purchase real property for commercial use; however, the money was invested in a company which went bankrupt in 2002 or 2003. The taxpayer claimed the $60,000 as a theft loss deduction. The court noted that there was no evidence of a theft, when the theft occurred or whether the money was recoverable or not; therefore, the theft loss deduction was not allowed. **Stewart v. Comm'r, T.C. Summary Op. 2006-37**.

**TRAVEL EXPENSES**. The taxpayers, husband and wife, were evangelists who traveled continuously in their work giving talks and performances at churches throughout the United States, traveling in a motor home. The taxpayer claimed that they were residents of Mississippi but did not own or rent any residence there. Their mail was sent to a daughter who lived in Mississippi and the taxpayers visited Mississippi only three times in the tax year involved in this case. When they visited Mississippi, they stayed with a local church pastor or their daughter. The court held that the taxpayers did not have a tax home from which they could have travel expenses; therefore, the taxpayers could not claim deductions for their travel costs. **Boyd v. Comm'r, T.C. Summary Op. 2006-36**.

The taxpayer contracted with an unrelated company to pay the taxpayer's federal employment taxes; however, the other company embezzled a portion of the funds and failed to pay the full amount of employment taxes. The other company was charged and found guilty of wire fraud and tax evasion but the IRS still assessed the tax deficiency against the taxpayer. The court held that the taxpayer remained liable for the unpaid taxes even though the taxpayer was prevented from making the payments by the fraud of the other company. **Pediatric Affiliates, P.A. v. United States, 2006-1 U.S. Tax Cas. (CCH) ¶ 50,201 (D. N.J. 2006)**.

# PROPERTY LAW

**BOUNDARY BY ACQUIESCENCE**. In 1970 the owners of two parcels of property sold one to an unrelated party. The two properties were separated by a road but two thin areas of land on the north side of the road were included in the land description in the title to the southern parcel. The evidence demonstrated that the two owners treated the road as the boundary between the properties from 1970 until 2000 when the northern property was sold to the plaintiffs. In 2001, the southern property was sold to the defendants and a survey was taken which demonstrated that the southern property included the strips north of the road. The defendants demanded and obtained rent payments from the plaintiffs and the plaintiffs' tenant for two years. The plaintiffs brought the current quiet title action, arguing that the road had been established as the true boundary by acquiescence of the owners from 1970 to 2000. The court held that the plaintiffs had established that the previous two owners had acquiesced to the road as the boundary between the properties. The court noted that acquiescence did not require that the previous owners actually know that the road was not the true boundary and that the actions of the current parties, in demanding and paying rent, did not affect the prior acquiescence. The case is currently designated as unpublished. **Feldmann v. Ostwinkle, 1006 Iowa App. LEXIS 196 (Iowa Ct. App. 2006)**.

# SECURED TRANSACTIONS

**CONVERSION**. The plaintiff farmer purchased a tractor under an installment contract and security agreement which granted the seller a security interest in the tractor. Although the security agreement prohibited the sale of the tractor without the consent of the seller, the plaintiff transferred the tractor to a partnership in which the plaintiff was a partner. When the plaintiff defaulted on the installment contract, the defendant seller repossessed the tractor after obtaining a default judgment and writ of execution. The plaintiff sued for conversion, arguing that the tractor belonged to the partnership which was not a party to the installment contract. The court held that the security interest in the tractor continued after the transfer to the partnership because the transfer was not in good faith since the partnership had knowledge of the security interest and because the transfer was not in the ordinary course of business since the plaintiff was not in the business of selling tractors. The court also held that the seller had the right to repossess the tractor under the writ of execution so no conversion could occur. **Ronald v. Odette Family Partnership, 2005 Kan. App. LEXIS 1276 (Kan. Ct. App. 2005)**.

The plaintiffs delivered 150 head of cattle to the defendant for feeding but the defendant sold the cattle to another defendant (buyer) who sold the cattle to yet another defendant. The cattle were sold several times more and all buyers were made defendants in the case. However, the rights of the later buyers were dependant upon the first buyer's ability to take the cattle free of the plaintiffs' ownership interests. The plaintiffs sued for conversion and the defendant and first buyer claimed that the cattle passed free of the plaintiffs' interest under the entrustment doctrine. Under the entrustment doctrine of the U.C.C., a good faith buyer in the ordinary course of business can purchase goods free of the owner's interest if the purchase is made from a merchant. The court held that the definition of merchant, for purposes of the entrustment doctrine, required that the seller be a person who deals in the goods of the kind involved in the sale. The appellate court upheld the trial court's ruling that the defendant was a merchant of cattle because the evidence demonstrated that the defendant had made and continued to make sales of cattle. The appellate court, however, reversed the trial court's ruling that the buyer purchased the cattle in good faith because the buyer failed to provide sufficient evidence to support the buyer's honesty and observance of reasonable commercial standards of fair dealing at the time of the purchase. The case was remanded for evidence and a ruling on the buyer's good faith purchase. **Hammer v. Thompson, 2006 Kan. App. LEXIS 181 (Kan. Ct. App. 2006)**.

# CITATION UPDATES

**Ostrow v. Comm'r, 430 F.3d 581 (2d Cir. 2006), *aff'g*, 122 T.C. 378 (2004)** (alternative minimum tax) see p. 21 *supra*.

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